

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7406

BILL NUMBER: HB 1583

NOTE PREPARED: Mar 21, 2013

BILL AMENDED: Feb 12, 2013

SUBJECT: Review of Administrative Rules.

FIRST AUTHOR: Rep. Harman

FIRST SPONSOR:

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) *Appointment of Members:* This bill sets forth procedures for the appointment of: (1) the members of the Administrative Rules Oversight Committee; and (2) the committee's chair; to more closely align to the actual schedule of appointments made before the election of the one hundred eighteenth General Assembly.

Participation by Members from Remote Locations: The bill permits committee members to participate in committee meetings from remote locations if at least five committee members are physically present at the place where the meeting is held.

Functions of the Committee: For a rule proposed by an agency after July 15, 2013, the bill requires the agency to submit the rule to the committee for review if the agency determines the rule will have a total estimated economic impact greater than \$500,000 on all regulated persons. It requires the agency to submit the rule to the committee not later than the date the agency submits the rule to the Attorney General for review. It allows an agency to submit a rule to the committee for review if the agency determines the rule will have a total estimated economic impact less than \$500,000. The bill also permits the committee to recommend that the Governor approve or disapprove the rule.

Effective Date: Upon passage; July 1, 2013.

Explanation of State Expenditures: *Participation by Members from Remote Locations:* The bill requires that at least five members be physically present at the committee meeting place in order for remote location participation to be allowed for the other members. Potential cost savings will depend on the amount of expenses

that would have otherwise been incurred by the members meeting remotely.

(Revised) *Functions of the Committee:* This bill provides that agencies submit proposed rules to the Administrative Rules Oversight Committee for review if the total estimated economic impact is greater than \$500,000 on all regulated persons. The bill also allows agencies to submit rules for review to the committee if the total estimated economic impact is \$500,000 or less on all regulated persons. If the committee holds more meetings to address the proposed rules, then per diem and staff expenses for the committee could increase. Current statute provides that the committee meet at the call of the chair. For CY 2010-2012, the average number of proposed rules was about 100.

Background Information - The Administrative Rules Oversight Committee has not met since the 2008 interim. They met 3 times and had expenses of \$3,547 in 2008.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Legislative Services Agency.

Local Agencies Affected:

Information Sources:

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